GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:90
ANSWERED ON:19.07.2002
HAWALA DEALINGS
VUKKALA RAJESWARAMMA

Will the Minister of FINANCE be pleased to state:

(a) whether the Enforcement Directorate detected that huge hawala amount running into crores was deposited in four Mumbai based banks and was transferred within 60 days to accounts of South India based banks;

(b)if so, whether this was done with the connivance of bank employees;

(c)if so, the persons arrested in this regard and action taken against them; and

(d)the other details in this regard?

Answer

MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH)

(a) to (d) : A statement is placed on the table of the House .

STATEMENT IN REPLY TO LOK SASBHA STARRED QUESTION NO.90 FOR ANSWER ON 19TH JULY, 2002.

(a) & (b) During the year 2000, the Directorate of Enforcement had investigated a case in which amounts totalling Rs.336 crore (approximately) were found to have been deposited between November 1999 to December 2000 in the accounts of some individuals maintained at the Mumbai branches of the Federal Bank, Catholic Syrian Bank, Nedungedi Bank, Lord Krishna Bank & Indian Overseas Bank. These amounts were found to have been gradually transferred, over the period of November, 1999 to December, 2000, to certain accounts maintained with the corresponding branches of the above banks in Tamil Nadu and Kerala. Keeping in view the large amounts involved in these transactions, references were made by the Enforcement Directorate to various investigating agencies, including the Directorate of Revenue Intelligence and Central Bureau of Investigation, for taking necessary action in the matter. Investigations are continuing.

(c) & (d) : No arrests were made by the Enforcement Directorate in this regard.